

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

1. **Shri Ashok Basu, Chairman**
2. **Shri K.N. Sinha, Member**

Petition No.4/2005

In the matter of

Renovation and Modernisation of Auraiya Gas Power Station (663.36 MW)

And in the matter of

National Thermal Power Corporation Limited

.....Petitioner

Vs

1. Uttar Pradesh Power Corporation Limited (UPPCL), Lucknow
2. Delhi Transco Ltd. (DTL), New Delhi
3. Haryana Vidyut Prasaran Nigam Ltd, Panchkula
4. Punjab State Electricity Board, Patiala
5. Himachal Pradesh State Electricity Board, Shimla
6. Power Development Department, Govt. of J&K, Srinagar
7. Electricity Department Union Territory of Chandigarh, Chandigarh
8. Uttaranchal Power Corporation Ltd., Dehradun

....Respondents

The following were present:

1. Shri Pranav Kapoor, NTPC
2. Shri V.B.K. Jain, NTPC
3. Shri S.K. Johar, NTPC
4. Shri S. Subramanian, NTPC
5. Shri Shankar Das, NTPC
6. Shri B. Satya, NTPC
7. Shri Navin Chandra, NTPC
8. Shri S.D. Jha, NTPC
9. Shri C.S. Gupta, NTPC
10. Shri D.G. Salpekar, NTPC
11. Shri Rajat Singhal, NTPC
12. Shri Dilip Singh, NTPC
13. Shri D. Nand, NTPC
14. Shri V. Ramesh, NTPC

ORDER
(DATE OF HEARING : 25.1.2005)

The petitioner in the present application has sought in-principle approval for the Renovation and Modernisation (R&M) Scheme for Auraiya GPS for which tariff petition is to be filed on completion of R&M works. It is further prayed that the actual expenditure incurred on R&M works should be considered for determination of tariff for the relevant years by the Commission.

2. It has been stated that R&M of the generating station has become essential for extending its life in order to ensure power supply to the consumers and maintain efficiency and economy in the operation of the generating station. The petitioner has submitted that the main objectives likely to be achieved as a result of R&M are improvement in safety, sustenance of efficiency and reliability and saving the generating station from obsolescence on account of technological changes.

3. We have heard Shri V.B.K. Jain, General Manager for the petitioner on admission.

4. Admit. Issue notice to respondents who may file their reply by 28.2.2005 with a copy to the petitioner who may file its rejoinder, if any, by 15.3.2005. List on 3.3.2005.

5. Meanwhile, the petitioner is directed to place on record the following information duly supported by affidavit, with a copy to the respondents, latest by 28.2.2005:

- (a) Approval of Board of Directors of the petitioner for undertaking R&M and the expenditure approval,

- (b) Life extension of the station likely to be achieved as a result of R&M and its effective date,
- (c) Heat rate of the generating station before (for last 5 yrs) and after R&M,
- (d) Consent or otherwise of the beneficiaries for undertaking R&M,
- (e) Necessity of the residual life assessment in respect of Waste Heat Recovery Boiler and steam turbine after 15 years where as life of these equipments are of the order of 25 years.
- (f) Details of works/supplies and services to be provided by original equipment manufacturer.
- (g) Possibility and economics of allocating gas to other NTPC stations such as Kawas, Dadri Gas, Anta etc in order to optimize generation and reduce dependence on costly liquid fuel rather than going for fresh investment on R&M of station.
- (h) Identification of alternate sources/vendors other than OEM to supply parts or equipments at cheaper cost.
- (i) Details of expenditure on parts and system to be made through open competitive bidding.
- (j) Basis for the escalation factor considered in the cost estimates.
- (k) Details of estimated R&M cost of Rs.416.27 crore at March 04 price level.
- (l) Computation of IDC and financial charges along with the phasing of expenditure along with details of debt and equity draws.

Sd/-
(K.N. SINHA)
MEMBER

Sd/-
(ASHOK BASU)
CHAIRMAN

New Delhi dated the 2nd February, 2005